



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0219	Title:	Prohibit severance pay for state employees
Primary Sponsor:	Balyeat, Joe	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	unknown	unknown	unknown	unknown
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>

Description of fiscal Impact:

The bill prohibits state agencies from the payment of severance pay, bonuses, or other type of payment to terminating employees.

FISCAL ANALYSIS

Assumptions:

1. If state agencies lost their ability to negotiate severance payouts or settlement agreements to avoid costly protracted litigation and union grievances in particular cases, there is a likelihood that these cases would result in greatly increased litigation costs and potential adverse awards and judgments. This bill would impact management's ability to manage and make very difficult business decisions regarding its employees that are in the best interest of the program.
2. This bill may also increase the cost of arbitration
3. The increased cost of arbitration and litigation cannot be determined, but could be significant.

Sponsor's Initials

Date

Budget Director's Initials

Date